



STAFF NOTES:

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South Asia**

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MIDDLE EAST - AFRICA - SOUTH ASIA

This publication is prepared for regional specialists in the Washington community by the Middle East - Africa Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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~~SECRET~~Rhodesia*White Delegation Visits Zambia*

14 The publicized visit of a Rhodesian cabinet minister and five members of the Rhodesian parliament to Zambia last weekend suggests new responsiveness on the part of Prime Minister Ian Smith to Zambian efforts to encourage settlement talks between Smith and black Rhodesian nationalists. When Smith and leaders of the umbrella African National Council met on June 12, both sides said they wanted to get on with a constitutional conference, but Smith refused a demand that it take place outside Rhodesia.

1 A Salisbury radio broadcast on Tuesday stated that the all-white Rhodesian "fact-finding mission" met Zambian President Kaunda as well as white farmers and businessmen residing in Zambia. Official Rhodesian commentary depicted the visit as a goodwill gesture.

25X1C [REDACTED] Kaunda's special aide, Mark Chona, had arranged the visit in order to convince influential white Rhodesians that a transfer of power to the black majority would not inevitably result in intolerable conditions for white settlers who wanted to stay on and maintain farms or businesses. Chona had met Wickus De Kock, the cabinet minister who led the mission to Zambia, during an unofficial symposium in Botswana last month. Chona had gathered from De Kock at the time that prominent members of the ruling Rhodesian Front Party who had adamantly opposed any compromise with black nationalists had come around to looking for formulas that would guarantee their economic interests under a black government.

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It seems unlikely that Kaunda gave the visiting Rhodesians any assurances that could imply he is pressuring black Rhodesian nationalists to accept particular settlement terms. On the other hand, Kaunda has urged the hard-liners in the African National Council to get down to substantive negotiations with Smith. He may now be trying to show both white and black Rhodesians that he will not back the blacks who want to scuttle settlement talks and resume guerrilla warfare.

Mark Chona reportedly had planned not to publicize the visit of the Rhodesians, although he understood that De Kock had Ian Smith's permission to accept the Zambian invitation. The fact that Salisbury chose to comment officially on the visit suggests that De Kock may have persuaded Smith to use the visit as a trial balloon, to see how the rank and file of the Rhodesian Front Party respond to the possibility of a genuine compromise with the black nationalists. (SECRET/NO FOREIGN DISSEM)

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~~SECRET~~Dahomey*Kerekou Faces a New Crisis*

President Kerekou, who narrowly weathered a coup attempt last January, is being buffeted by another political storm that could result in his ouster.

Last Friday, one of Kerekou's chief rivals, Interior Minister Aikpe, was shot by presidential guards who allegedly found him in "flagrante delicto" with the President's wife. The public has reacted angrily to the government's explanation of Aikpe's death; most Dahomeans believe he was deliberately murdered for political reasons. Kerekou is bracing himself against Dahomey's aroused citizenry who are tired of the leftist regime's strong arm tactics and the "revolutionary" program it has tried to impose. They also resent Kerekou's reliance on soldiers in his bodyguard provided by Guinean President Toure.

Following the news of Aikpe's death, crowds rampaged in Cotonou and other towns. They freed some prominent political detainees and clashed with security forces who shot back killing an unknown number of persons. The country's strong teachers union has called a general strike and all schools are closed. The government has countered by imposing a countrywide curfew, banning demonstrations, and ordering troops to shoot at anyone suspicious.

Kerekou has been in a weak position since last January's unsuccessful coup attempt by a moderate cabinet minister which left the President more vulnerable to maneuvering by his radical colleagues. Aikpe, one of the regime's leading radicals and a key officer behind the military coup that brought Kerekou to power in October 1972, is known to have harbored ambitions to replace Kerekou. It is unclear, however, if he was close to making a bid for power when he was killed.

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1 The strongest figure in the government may now be the radical information minister, Lieutenant Martin Azonhiho, who has been named interim interior minister in addition to his present post. He could try to take advantage of the present turmoil and challenge Kerekou in the days ahead. Dahomey has experienced six military coups and three civilian changes of government since independence in 1960.

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~~SECRET~~Bangladesh*Another Big Dose of Foreign Aid Needed*

The high level of foreign aid that propped up Bangladesh's urban economy during the past 12 months will have to be repeated in the year ahead if the economy is to make even small gains in agricultural and industrial output. Most major donors, including the US, made no commitments for the next year at the recently concluded Aid Consortium meeting, although all donors still expect to aid Bangladesh.

Aid disbursements of almost \$1 billion in fiscal 1975--about \$12 per capita--were nominally over twice as high as the year before. The US and multilateral agencies were the principal donors but Middle Eastern oil producers became an important source of funds, committing about \$200 million. In all, aid provided more than two and a half times as much foreign exchange as Bangladesh earned from its exports and contributed more to the budget than did taxes.

No amount of foreign aid can provide easy solutions to the problems of a country as poor and overpopulated as Bangladesh. Limited production increases are possible, but fundamental deficiencies of infrastructure, employment opportunities, and administrative capacity cannot be alleviated quickly.

A small increase is foreseen for export earnings. The \$350 million earned during the past year was less than the value of foodgrain imports alone. The May 17 currency devaluation should maintain exports of jute and jute products--which account for 85 percent of exchange earnings--in spite of competition from foreign synthetics. Earnings from tea, leather and sugar rose last year, but will probably taper off in 1976.

Foodgrain imports will remain high. About 70 percent of the 2.3 million tons of grain imported in

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1975 was aid-financed, including 625,000 tons of PL-480 wheat and rice. Imports are not deterring domestic production, however. Producer prices for grain are high and yields are being increased by irrigation and the use of fertilizer.

Domestic critics blame President Mujib for failing to make significant economic progress. He still retains the support of most Bengalees, however, especially the military. Mujib has responded to his economic problems by imposing a more authoritarian political system designed to provide strict control over every aspect of the society. While these extensive changes are being implemented, the decision-making process at all levels of government, especially the administration of economic programs, will probably suffer. (CONFIDENTIAL)

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